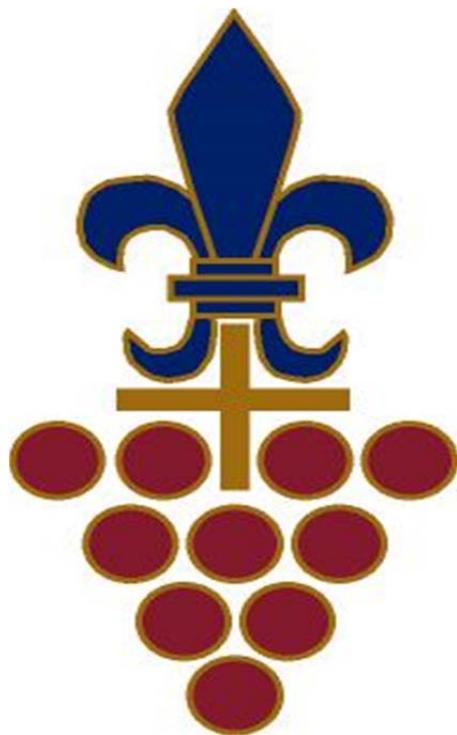


APPENDIX 7

STELLENBOSCH MUNICIPALITY



PROPERTY RATES POLICY

2017/2018



STELLENBOSCH MUNICIPALITY

PROPERTY RATES POLICY

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1. BACKGROUND

In 2007, Stellenbosch Municipality initiated a process to prepare a General Valuation (GV) Roll of all property situated within the geographical boundaries of Stellenbosch Municipality (WC024) in terms of the requirements of the Local Government: Municipal Property Rates Act (Act 6 of 2004) including any subsequent amendments and consequential regulations (the MPRA) which became effective on 1 July 2009 at Stellenbosch Municipality. This Policy is formulated in terms of Section 3 of the MPRA.

2. LEGISLATIVE CONTEXT

- 2.1 In terms of Section 229 of the Constitution, (Act 108 of 1996), a municipality may impose rates on property.
- 2.2 In terms of Section 4 (1) (c) of the Local Government: Municipal Systems Act, (Act 32 of 2000), a municipality has the right to finance the affairs of the municipality by imposing, *inter alia*, rates on property.
- 2.3 In terms of Section 2 (1) of the MPRA a metropolitan or Local municipality may levy a rate on property in its area in accordance with the provisions of the MPRA.
- 2.4 This Policy must be read together with, and is subject to the provisions of the MPRA.
- 2.5 In terms of Section 62 (1) (f) (ii) of the Local Government: Municipal Finance Management Act, (Act 56 of 2003) (the MFMA), a municipality must have and implement a rates policy as may be prescribed by any applicable national legislation.
- 2.6 In terms of Section 8(1) of the MPRA, Stellenbosch Municipality will, as the primary instrument, levy rates on the use of property, but implemented as per paragraph 5.5 of this Policy.
- 2.7 All citations to applicable Acts as referenced in this Policy shall include all amendments and regulations to such as promulgated.

3. GUIDING PRINCIPLES

- 3.1 The rating of property will be implemented impartially, fairly, equitably and without bias, and these principles also apply to the setting of criteria for exemptions, reductions, and rebates contemplated in Section 15 of the MPRA.
- 3.2 The rating of property will be implemented in a way that -
 - is developmentally oriented;
 - supports sustainable local government by providing a stable and buoyant revenue source within the legislative control of the Municipality;
 - supports local and socio-economic development;
 - promotes simplicity, uniformity, and certainty in the property rates assessment process;
 - gives due consideration to the need for simple and practical process of billing and collection of property rates;
 - promotes sustainable land management, especially that which reduces the risk from natural disasters;
 - achieves national and local environmental management objectives; and
 - balances the affordability to the public versus the financial sustainability of the Municipality.

3.3 Other principles that will steer the processes of this Policy:

- All ratepayers within a specific category will be treated equally and reasonably.
- The Municipality will, when levying property rates for each financial year, take cognizance of the aggregate burden of rates on property owners in the various categories of property ownership.
- Rates Increases/Decreases will be guided by the budget requirements of the Municipality, and by Section 20 of the MPRA.
- In dealing with the poor/indigent ratepayers the Municipality may provide relief measures through exemptions, reductions or rebates.

3.4 Further determinants that will guide the processes of this Policy:

- The Zoning Scheme of the Municipality determines, via the provisions therein, the zoning and thus the legally binding use of a given property.
- However, the rating of said property is governed by the MPRA which determines a collection of rules that by implication sets the conditions by which the use of a property is categorised. It is therefore possible that even though an owner is using a property within the set rules of the Zoning Scheme, said property would not be rated on the same basis due to the definitions and provisions as applied according to the MPRA and this Policy.

4. DEFINITIONS

In this Policy, a word or expression derived from a word or expression as defined, has a corresponding meaning unless the context indicates that another meaning is intended.

In addition to the definitions contained in the MPRA, the following definitions apply for the purpose of the application of this Rates Policy:-

“the Municipality” means Stellenbosch Municipality (WC024).

“MPRA” refers to the Local Government: Municipal Property Rates Act (Act 6 of 2004) including any subsequent amendments and consequential regulations.

“agricultural Activities” means the cultivation of soils for purposes of planting or growing of trees or crops in a managed and structured manner; the rearing of livestock or aquaculture.

“agricultural purposes” refers to the active pursuit by a *bona-fide* farmer to derive the principle source of income, and is commercially sustainable, from agricultural activities.

“bona fide farmer” is a person or legal entity that is a legitimate farmer.

“business and commercial property” means a property that is used for the purpose described as the activity of buying, selling or trade in goods or services and includes any office or other buildings on the same property, the use of which is incidental to such business. This definition excludes the business of mining and agriculture activities.

“Chief Financial Officer (CFO)” means a person designated in terms of Section 80(2) (a) of the Local government: Municipal Finance Management Act, (Act 56 of 2003).

“industrial property” means a property that is used for the purpose described as the branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, typically via a high-volume production process and on such large scale that capital and labour are significantly necessitated.

“ratepayer” means a person or legal entity that is liable in terms of the MPRA for the payment of rates on property levied by the Stellenbosch Municipality. The term “Ratepayer” is herein considered to be synonymous with the MPRA definition of the term “owner”.

“residential property” means improved property that is:

- For the sake of clarity, the following properties are specifically excluded from this definition: hostels, old age homes, guesthouses and vacant land.
- used predominantly (80% or more of the area of buildings and structures) for residential purposes and with not more than two dwelling units per property, and includes any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. (Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes); or
- registered in terms of the Sectional Title Act, (Act 95 of 1986), used for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which is used together with the residential unit as if it were one property, for example a garage or domestic worker’s quarters (for the purposes of this definition, any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes); or
- owned by a share-block company and used solely for residential purposes; or
- a block of flats used solely for residential purposes; or
- used for residential purposes situated on property used for or related to educational purposes ; or
- a retirement scheme or life right scheme used predominantly (60% more) for residential purposes.

“residential purposes” in relation to the use of the property means improved properties primarily intended for human habitation and inhabited as such.

“vacant land” means a property without any buildings or structures, and where no immovable improvements have been erected.

“valuation roll” means a valuation roll drawn up in terms of Section 30 of the MPRA or a supplementary valuation roll drawn up in terms of Section 78 of the MPRA.

5. IMPOSITION OF RATES

5.1 The Municipality shall as part of the annual budgeting cycle, set for each category a rate, (being a cent amount in the Rand) that will be imposed, in accordance with the MPRA, on the market value of a property, for all rateable properties as recorded in the Municipality’s valuation roll, drawn up in terms of the MPRA. The amount so determined together with any relief measures as described in this Policy shall be the Rates due and payable by the owner of said property.

The levying of rates forms part of the Municipality’s annual budget process as set out in Chapter 4 of the MFMA.

5.2 The rates charged as a cent amount in the Rand for residential properties as per the definitions (above) is the base rate and the rate charged to all other categories of properties are reflected as a ratio to the residential rate.

5.3 The Municipality will be guided by the definition of “ratio” in the MPRA and directed by Regulations pertaining to rate ratios as promulgated in terms of Section 19 of the MPRA and as applicable to the prescribed non-residential properties. 5.4 For properties used for multiple purposes, the Municipality may apply the category of multiple use. For such properties, the Municipal Valuer will apportion a value to each distinct use and apply the appropriate category for billing at the applicable rate.

5.5 For the purposes of determining a property's category, the following will be applied in the order (i) to (iii) as indicated below:

- (i) the use of the property;
- (ii) the permitted use of the property; or
- (iii) the combination of (i) and (ii).

5.6 Building Clause references

Obligations pertaining to Building Clauses as per the development agreements or contracts will be levied according to the contract obligations

5.7 Period for which rates are levied

The Valuation Roll will, according to Section 32(1) of the MPRA, remain valid for a GV cycle of four years.

6. CATEGORIES

6.1 Categories of Property

Property Categories, each of which correlates to a distinct use of a property, have been determined as described below.

The codes that have been associated with each property Category are listed in paragraph 17.1 of this Policy. In addition, paragraph 17.1 identifies the attributes and criteria that determines the basis for application.

The Municipality will apply the following property Categories:

Item	Category (of property)	Purpose/Use
(a)	Residential	Refer the definitions as per paragraph 4 in this Policy.
(b)	Industrial	Refer the definitions as per paragraph 4 in this Policy.
(c)	Business (and commercial)	Refer the definitions as per paragraph 4 in this Policy.
(d)	Agricultural	Refer Section 1 ("Definitions") in the MPRA.
(e)	Mining	Refer Section 1 ("Definitions") in the MPRA.
(f)	Public Service Purposes	Refer Section 1 ("Definitions") in the MPRA.
(g)	Public Service Infrastructure	Refer Sections 1, 17(1)(a) and 17(1)(aA) in the MPRA.
(h)	Public Benefit Organisation	Used for a "Specified public benefit activity" as defined in Section 1 of the MPRA.
(i)	Multiple Use	Refer paragraph 7.2 in this Policy.
(j)	Heritage	Refer paragraph 8.9 in this Policy and Section 15(2A)(b) in the MPRA.
(k)	Vacant Residential	Vacant and Permitted use set for a Residential property.
(l)	Vacant Other	Vacant and Permitted use set for a property category other than Residential.

6.2 Categories for Relief Measures

The Municipality will consider relief measures on rates, being Exemptions, Rebates and/or Reductions on properties, according to various criteria as described in this Policy.

The codes (referred to as the Rebate Codes), associated with the specific relief measure, are listed in paragraph 17.2 of this Policy.

7. APPLICATION OF RATING

7.1 Vacant Properties

Vacant residential property will be rated as per the Vacant Residential Category.

Vacant property other than residential property will be rated as per the Vacant Other Category.

Agricultural properties will not be considered as being vacant.

Properties on which building clause contractual agreements as per paragraph 5.6 above are applicable, will not be considered as vacant and will be rated as per the applicable category as determined on the Valuation Roll. The building clause fee based on the building clause contract obligations will be adjusted by taking in consideration the actual rates paid for said property.

The Category of Vacant properties will be determined according to the property's permitted use and these properties will not qualify for any rebates or reductions.

7.2 Multiple use Properties

Properties with multiple uses as per Section 9 of the MPRA will be categorised for each distinct use as determined by the Municipality and which category will be applied for billing at the appropriate and applicable rate.

The different uses will be grouped into two or more components. The first will be the primary component; the other components (sub-components) will be identified by their generalised functional name.

The category of the primary component of such a property will be directed in the first instance by the permitted use of the property, but at the sole discretion of the Municipality.

A multiple use property may only qualify for the valuation exclusion as per paragraph 8.2.1 (i) of this Policy, provided that at least one of the components has a residential property category.

7.3 Publicly Controlled/Public Service Purposes Properties

Publicly Controlled properties and properties used for Public Service Purposes will be categorised as per paragraph 5.5 of this Policy and will be rated at the applicable rate. The exclusions, exemptions, rebates and reductions relating to the usage of properties as specified in this Policy and the MPRA, will apply.

7.4 Public Service Infrastructure properties (PSI)

The Municipality will apply the rate ratio as set out in the MPRA to public service infrastructure. Furthermore, the Municipality will grant 100% exclusion on all such properties.

7.5 Rural Properties

The categorizing and/or qualification of all rural properties will be dealt with at the sole discretion of the Municipality.

7.5.1 Agricultural Use

The Municipality will apply the rate ratio as set out in the MPRA to properties that are used for agricultural purposes by *bona fide* farmers. These properties will however not qualify for any rebates or reductions.

The Municipality deems property with an extent less than two hectares not to be agricultural property.

7.5.2 *Alternate Criteria and Use*

- (a) Where a property in a rural area is being used for business, mining, or industrial purposes, such as truck depots, construction yards, restaurants, functioning venue, guesthouses, and/or factories, will be valued and rated according to the category for business, mining or industrial properties as applicable.. The Municipality may however, consider valuating said property as a Multiple use Property (refer to paragraph 7.2 of this Policy).
- (b) Properties in rural areas that are primarily used for residential purposes will be valued and rated as residential properties and may thus qualify in terms of the definition of residential property for the applicable relief measures (refer to paragraph 8 of this Policy).
- (c) Owners of a property in rural areas which is not categorised as agricultural, but which in the opinion of the owner should be agricultural, must apply (refer to paragraph 14.1 of this Policy) for a revaluation, submit documentation as required by the CFO and declare in an affidavit, that no contraventions of the criteria for agricultural activities are taking place on the property. The application will be dealt with according to the supplementary valuation process.

7.6 **Municipal Properties**

Municipal-owned properties as stated in Section 7(2)(a)(i) of the MPRA, which are not leased, will be excluded from paying property rates and Special Rating Area Rates.

However, Municipal-owned properties which are leased in terms of a lease agreement or those properties which are allocated to beneficiaries but not yet transferred, will be rated as per the provisions of this Policy. These non-excluded properties' rates will be passed on to the lessee or the allocated beneficiary.

7.7 **Special Rating Areas (SRA)**

The Municipality may consider the application for a Special Rating Area provided that the owners of the predefined demarcated area have approved the budget and the specifics relating to such SRA. The process must adhere to Section 22 of the MPRA and to the Municipality's Special Rating Areas Policy and By-law.

The budget for such SRA will be raised via a pre-determined tariff on the municipal valuation of each property. The above pre-determined tariff is linked to the budget proposal and would therefore be unique to a specific SRA and for a given financial year.

7.8 **Land Reform Beneficiary properties**

The Municipality will determine a category for a Land Reform Beneficiary Property that corresponds to the use of said property. The said category will be applied for billing at the appropriate and applicable rate. Moreover, the Municipality will exclude such properties from rates for a period of 10 years subject to Sections 17(1)(g) and 21(1)(b) of the MPRA.

8. RELIEF MEASURES

8.1 Applying relief measures on Rates

The Municipality will consider applying relief measures on property rates, being Exemptions, Rebates and/or Reductions as described in this Policy.

- (a) The Municipality may grant the following exemptions, rebates and/or reductions to the categories of properties and/or categories of owners that meet the specified criteria as indicated below.
- (b) The Municipality does not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.
- (c) Any application (when required or as requested) for the relief of rates must be submitted as per paragraph 14.1 of this Policy.

8.2 Residential Property

8.2.1 The Municipality will not levy a rate on the initial portion of the valuation of a residential property being the sum of:

- (i) the first R15 000 exclusion on the basis set out in Section 17 (1) (h) of the MPRA; and
- (ii) on a further R185 000 reduction, provided it does not exceed the remaining valuation in respect of a residential property, or the primary component of a multiple use property, that is categorised as residential, as per the “Residential property” definition in paragraph 4 of this Policy. This reduction will only apply if the total valuation of said property is not more than R 5 000 000. All non-primary components of a multiple use property do not qualify.

The above where applicable, will be applied once only per property.

8.3 Senior Citizens and Disabled Persons

Designated owners being registered owners of properties or allocated beneficiaries as per paragraph 7.6 of this Policy who are senior citizens or who are disabled persons may qualify for a rebate according to their gross monthly household income.

To qualify for the rebate referred to above, the designated owner must be a natural person, registered as a South African citizen. If not a South African citizen the designated owner must be the registered owner of the property within the jurisdiction of the Municipality and must submit proof of his/her permanent residency in South Africa. The property in question must satisfy the residential property requirements as per the “Residential property” definition in paragraph 4 of this Policy and in addition to the above-mentioned, the designated owner must also:

8.3.1 Occupy the property as his/her normal residence; and

- (a) be at least 60 years of age, or in receipt of a disability pension from the Department of Social Development; and
- (b) be in receipt of a gross monthly income from all sources (including financial contributions of all members of the household permanently residing at that property) not exceeding the highest income amount as referenced in the table of paragraph 8.3.4 of this policy; and
- (c) when being the designated owner of more than one property, a rebate will be granted only on the occupied property; and
- (d) where the designated owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement; and

(e) where the occupant of a residential property is a senior citizen or a disabled person and is the usufructuary of the property, he/she may satisfy the occupancy requirement.

8.3.2 Apply as per paragraph 14.1 of this Policy with proof of income, which may include proof of a SARS assessment.

8.3.3 If the property in question is alienated by the designated owner, then that owner would be liable for the pro rata rates, inclusive of the pension rebate. The new owner will be liable for the full pro rata portion of the rates excluding any pension rebates.

8.3.4 The percentage rebate granted to different monthly household income levels will be determined according to the schedule below. The income bands and rebates for the effective financial period of this Policy are as follows:

Gross Monthly Household Income			% Rebate	
Income bands				
Up to		8 000		100%
From	8 001	to	10 000	75%
From	10 001	to	12 000	50%
From	12 001	to	15 000	25%

8.4 Conservation Land

In terms of Section 17 (1) (e) of the MPRA, the Municipality will not levy a rate on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environment Management: Protected Areas Act, (Act 57 of 2003), or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, (Act 10 of 2004), which are not developed or used for commercial, business, agricultural or residential purposes. The apportioned value of any portion of such properties utilized for any purpose other than that used for such conservation purposes will as per paragraph 7.2 of this Policy be rated accordingly and at the applicable rate.

The Municipality will apply Section 17 (2) of the MPRA upon withdrawal of said property from the conservation agreements.

8.5 Religious Organisations

In terms of Sections 1 and 17 (1) (i) of the MPRA, the Municipality will not levy a rate on a property used primarily as a place of public worship by a religious community, including the official residence which is occupied by the office bearer of that community who officiates at services at that place of worship.

The Municipality will apply Section 17 (5) of the MPRA if as per Section 17 (5) (a) of the MPRA said property is no longer used or has been disposed by the religious community.

8.6 Stellenbosch Special Rebate

The Municipality may, for the organisations not meeting all of the public benefit organisations criteria as described in paragraph 8.7, nor the criteria for NPO organisations as described in paragraph 8.8, consider a rebate which shall be identified as "Stellenbosch Special Rebate" (SSR). The Municipal Council will annually during the budget processes approve this rebates' discount percentage. This rebate will only be applicable to said organisations that apply as per paragraph 14.1 of this Policy for such rebate.

8.7 Public Benefit Organizations (PBO)

The Municipality will apply the rate ratio as set out in the MPRA to public benefit organisations. As per the MPRA the specific public benefit activity listed in Item 1 (Welfare and Humanitarian), Item 2 (Health Care), and Item 4 (Education and Development) of Part I of the Ninth Schedule of the Income Tax Act will be applicable. All Public Benefit Organisations must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

8.8 Non-Profit Organizations (NPO)

An organisation must be registered as a Non-Profit Organisation (NPO) under the Non-profit Organisations Act, (Act 71 of 1997) to be considered as a candidate for the relief measures described below.

Organizations listed in paragraph 8.8.1 below that are operated as not-for-gain (declared or registered by law) or organisations that execute activities as per Item 6 (Cultural), item 7 (Conservation, Environment and Animal Welfare) and Item 9 (Sport) of Part 1 of the Ninth Schedule to the Income Tax Act may receive a rebate. All abovementioned organisations being privately controlled must be the owner of said properties.

These rebates are not applicable to any vacant land irrespective of its zoning or intended usage unless stated otherwise in this Policy.

All NPO must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

Abovementioned organisations which have a total revenue/income not exceeding one million Rand per annum, will receive a 100% rebate. On the other hand, those organisations having a revenue/income exceeding one million Rand per annum will receive a rebate percentage as per the table below:

Financial Year	Rebate %
2017/2018	60%
2018/2019	40%
2019/2020 and there after	20%

8.8.1 Prescribed not-for-gain organisations

(a) *Health and welfare institutions*

Privately owned properties used exclusively as a *hospital, clinic, mental hospital, orphanage, non-profit retirement village, old age home or benevolent institution*, including workshops used by the inmates, laundry or cafeteria facilities.

(b) *Charitable institutions*

Properties used solely for the performance of charitable work.

(c) *Agricultural societies*

Property owned by agricultural societies affiliated to the SA Agricultural Union used for the purposes of the society.

(d) *Cemeteries and crematoria*

Privately owned properties used as cemeteries and crematoria.

(e) *War veterans*

Property registered in the name of a trustee or organisation in terms of the Social Assistance Act, (Act 13 of 2004), maintained for the welfare of war veterans and their families.

8.9 Heritage Properties

The Municipality recognises properties as described in Section 15(2A)(b) of the MPRA as Heritage properties.

Heritage properties used as historical monuments, museums, libraries and art galleries registered in the name of private persons or organisations, and open to the public will be granted a 100% rebate. All other Heritage properties will be granted a rebate as per the financial year schedule in paragraph 8.8 of this Policy.

Owners of heritage properties must annually submit, according to paragraph 14.1 of this Policy proof of their status as per the above criteria.

8.10 Properties affected by Disaster or adverse Economic Conditions

The Municipality may consider additional relief measures as envisaged in Section 15(2)(d) of the MPRA and as approved by Council.

8.11 Exceptional General Valuation Rates Increases : Phasing in

The Municipality may consider a relief measure for owners of property adversely effected by a exceptional rates increase of a new General Valuation (GV) cycle. This incentive will only be implemented as from the implementation date of a GV and on proviso that:

- (a) for a property to qualify, the Rates for the first financial year of the GV cycle for the property, as result of the valuation, should exceed the increase as determined by the Municipality, during the financial year preceding the start of the GV cycle.
- (b) the rates for the financial year preceding the start of the GV cycle must be at least R 1 000 per annum;
- (c) the rebate granted would be phased-out over two financial years;
- (d) the rebate for the first financial year will be 50% and during the second year it will be 25% rebate on the rates applicable for that year;
- (e) this incentive will not be cumulative on any other rebate that may be granted to said owner;
- (f) the most beneficial rebate between this incentive and any other rebate which said owner may receive in each financial year will prevail;
- (g) improvements or errors of valuations to said property that could have influenced the GV valuation will be reviewed during the application approval;
- (h) applications will only be considered until the end of the initial 6 months of a GV cycle; and
- (i) owners of such property must apply as per paragraph 14.1 of this Policy.

9. LIABILITY FOR AND PAYMENT OF RATES

9.1 Liability for and payment of rates

Liability for and payment of rates is governed by criteria in this Policy, by the MPRA, the Stellenbosch Municipality's Credit Control and Debt Collection Policy, By-Laws and any other applicable legislation.

There is one of two methods of payment that the owner of the property has to agree upon, namely (i) paying the rates on a monthly basis or (ii) paying the rates in one amount every annum. The paying of rates on a monthly basis will be the preferred method unless the owner has selected (via a written request) the annual method of payment. Actions as per the applicable By-Laws and/or Policies shall be taken against defaulters.

- (i) When paying on a monthly basis the amount due shall be paid not later than the date as specified on the monthly accounts. The cycle of such payments will start on the first day of July (the start of a financial year) and extend to the 30th of June the following year.
- (ii) When paying a once-off amount (the full rates for that financial year), then that amount shall be paid in full not later than the date as specified on the account.

9.2 Rates in arrears for longer than 90 days

When an owner's rates account is in arrears for longer than 90 (ninety) days, then the Municipality may initiate the proceedings as described in Sections 28 or 29 of the MPRA.

A notice to this effect will be forwarded to the tenant, occupier or agent providing the required legal information regarding their payments to the owner, which are to be redirected to the municipality so as to cover the arrear rates account.

A notice will be forwarded to the owner in question to indicate the legal proceedings and the actions that the municipality has initiated.

10. QUANTIFICATION OF COSTS TO MUNICIPALITY AND BENEFITS TO COMMUNITY

The cost to the Municipality and benefit to the local community in terms of exemptions, rebates, reductions and exclusions referred to in the MPRA and rates on properties that must be phased in terms of the MPRA will be reflected in the Municipality's budget.

11. OBJECTION AND APPEALS

- (a) Any person may lodge an objection to a valuation subject to Section 50 of the MPRA but within the period stated in the notice referred to in Section 49(1)(a) of the MPRA.
- (b) An appeal to an appeal board against a decision of a municipal valuer in terms of section 51 of the MPRA may be lodged in the prescribed manner subject to Section 54 of the MPRA. The appeal must be lodged (as a guideline), within a period of 30 days nonetheless, as set out in Section 54(2) of the MPRA.
- (c) The administrative actions or processes as described in the MPRA for the handling of objections or appeals will be the basis that the Municipality will follow.
- (d) The lodging of an objection or appeal:-
 - (i) In terms of Section 50 of the MPRA does not defer liability for the payment of rates in terms of this Policy; or

- (ii) In terms of Section 54 of the MPRA does not defer liability for the payment of rates in terms of this Policy.

12 CLEARANCE CERTIFICATES

All monies collected by the Municipality, specifically in respect of Special Rating Areas and any estimated amounts in terms of Section 118(1A) of the Local Government: Municipal Systems Act, (Act 32 of 2000) (the Systems Act), or Section 89 of the Insolvency Act, (Act 24 of 1936), are for the purpose of Section 118 of the Systems Act, deemed to be due and must be paid in order to facilitate the transfer of immovable property:

- (i) All amounts that are due must be paid in full prior to the issuing of any clearance certificate in terms of Section 118, of the Systems Act; and
- (ii) No interest shall be paid by the Municipality to the registered seller in respect of these payments which are deemed to be due.
- (iii) The Municipality will not be responsible for the apportionment of rates and/or services due or paid in respect of any rates clearances and registrations.
- (iv) The Municipality will issue only one clearance certificate for properties deemed to be in an adjoined state as per the definition of residential properties in this Policy.

13 ADJUSTMENTS OF RATES PRIOR TO SUPPLEMENTARY VALUATION ROLL

13.1 If the owner of a property which has been subdivided or consolidated after the last general valuation wishes to sell the consolidated erf, or one or more of the erven which have been subdivided from the parent erf, as the case may be, applies to the Municipality for a clearance certificate in terms of Section 118 of the Local Government: Municipal Systems Act, (Act 32 of 2000), and if the Municipality has not yet included such valuation of the relevant property(ies) in a supplementary valuation roll:-

- (a) the Municipal Valuer shall conduct a valuation of the relevant property(ies) for purposes of a supplementary valuation; and
- (b) the valuation shall be submitted to the CFO for approval of the levying of rates on such property(ies) in accordance with such valuation, with effect from the date on which the relevant subdivision or consolidation (as the case may be) was registered in the Deeds Office

13.2 Any valuations performed in terms of paragraph 13 shall be included in the next supplementary roll prepared by the Municipality without any amendments to the valuation and any objections to such valuation may only be lodged once such supplementary valuation roll is made public in terms of Section 49 of the MPRA.

14. GENERAL

14.1 Applications for Relief Measures

- (a) All applications, required in terms of this policy for a specific relief measure must be submitted to the Municipality by 31 May of each year, which date precedes the financial year in which the rate is to be levied. If the relief measure applied for is granted, the relief measure will apply for the full financial year. All successful applicants are bound by all the criteria as per paragraph 14.1 of this Policy.
- (b) Any applicant who, during a financial year, for the first time, meets all the other criteria may apply to receive the relief measure from the date of receipt of the application by the Municipality for the remainder of that financial year, where after all the criteria as per paragraph (a) above will apply to applications for subsequent financial years.

- (c) Late applications received after 31 May may be considered by the Municipality, in which case, if the relief measure applied for is granted, a *pro-rata* rebate for the remainder of that financial year may be applicable.
- (d) Persons who have submitted false information and/or false affidavits will have the relief measure withdrawn with effect from the commencement of the financial year in question.
- (e) All applications for relief measures will require the applicant's municipal accounts to have been paid up to date or the conclusion of a suitable arrangement with the Municipality as provided for in the Stellenbosch Municipality's Credit Control and Debt Collection By-law and Policy.
- (f) The Municipality reserves the right to request current and/or previous audited financial statements or to inspect all properties before or after implementing the applicable rate and to revoke or amend any decision made prior to such investigation or financial review.
- (g) The Municipality reserves the right to recover any rates and/or relief measures from owners of properties after the status of said properties have changed.
- (h) The Municipality reserves the right to request any additional information as may be deemed necessary.

14.2 Regular policy review processes

This Policy will be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives and with legislation.

14.3 Language Interpretation

The legal interpretation of the English version of this Policy only shall prevail above all other language translations of this Policy.

14.4 Severance

If any provision of this Policy is struck down as invalid by a court of law, such provision shall be severed from this Policy, and shall not affect the validity of the remaining provisions.

15 BY-LAWS

The principles contained in this Policy will be reflected in the By-law as promulgated and adjusted by Council from time to time.

16. SHORT TITLE

This Policy is the Rates Policy of the Stellenbosch Municipality.

17. CATEGORY AND REBATE CODES

17.1 Category Codes

The Formulae Codes (Derived from the Categories listed in paragraph 6.1 of this Policy) as listed below will be used in the Valuation Roll and supporting letters or Notices to reflect by association the applicable Category (as indicated in the Category Code column).

Council shall on an annual basis during the budget approval cycle set the cent amount in the Rand values (being the Category Tariff) or the rate ratio for each of the Category Codes (being RES, BUS, AGR, PSI, PBO, VACR, VACO) in the table below.

Category (of property)	Category Code	Formulae Code	Supporting references
Residential	RES	RES	MPRA Sections 8(2)(a); 17(1)(h) and the Policy paragraph 8.2.1
	RES	RESA	Adjoining residential; the Policy Definitions for 'residential'
	RES	RESM	MPRA Section 17(1)(h) i.e. ONLY Policy paragraph 8.2.1 (i)
	RES	RELI1	MPRA Section 17(1)(i) – the official residence; the Policy paragraph 8.5
	RES	MUNRR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	RES	MUNR	Municipal Owned: Section 8(2)(h) and the Policy paragraph 7.6
	RES	LRBR	Land Reform Beneficiary: MPRA Section 17(1)(g); the Policy paragraph 7.8
Industrial	IND	IND	MPRA Section 8(2)(b); Policy Definitions for 'industrial'
Business	BUS	BUS	MPRA Section 8(2)(c); Policy Definitions for 'business'
	BUS	RELIG	MPRA Section 17(1)(i) – the place of worship; the Policy paragraph 8.5
	BUS	MUNBR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	BUS	MUNB	Municipal Owned: Section 8(2)(h) and the Policy paragraph 7.6
	BUS	POS	Public Open Spaces
	BUS	PROS	Private Open Spaces
Agricultural	AGR	AGR	MPRA Section 8(2)(d); (Not considered to be a vacant property; the Policy paragraph 7.5
	AGR	PROT	Protected Areas: MPRA Section 17(1)(e); the Policy paragraph 8.4
	AGR	MUNAR	Municipal Owned: Rented or Leased property; the Policy paragraph 7.6
	AGR	MUNA	Municipal Owned: MPRA Section 8(2)(h) and the Policy paragraph 7.6
	AGR	LRBA	Land Reform Beneficiary: Section 17(1)(g); the Policy paragraph 7.8
Mining	MIN	MIN	MPRA Section 8(2)(e).
Public Service Purposes	PSP	PSP	MPRA Section 8(2)(f); the Policy paragraph 7.3
Public Service Infrastructure	PSI	PSI	MPRA Sections 8(2)(g); 17(1)(a) and the Policy paragraph 7.4
	PSI	PSIE	MPRA Sections 8(2)(g); 17(1)(aA) and the Policy paragraph 7.4
	PSI	MUNP	MPRA Sections 7(2)(a)(ii) and 8(2)(h); the Policy paragraph 7.6
Public Benefit Organisation	PBO	PBO	MPRA Section 8(2)(h) and the Policy paragraph 8.7
Multiple purposes	<i>Multi tariff</i>	MULTI	MPRA Sections 8(2)(i); 9 and the Policy paragraph 7.2
Heritage	HER	HER	MPRA Section 15(2A)(b) and the Policy paragraph 7.9
Vacant Residential	VACR	VACR	the Policy paragraph 7.1
Vacant Other	VACO	VACO	NOT agricultural properties; the Policy paragraph 7.1

17.2 Rebate Codes

The Rebate Codes in the table below serves to indicate the rebate if any that could be applicable to a property.

Rebate Code	Purpose	Supporting references
NONE	No rebate is applicable	
INDP	Indigent and 100% Pension rebate	Rates Policy paragraphs 8.3 and the Indigent Policy
INDIG	Indigent only rebate	Indigent Policy
PENS	100% Pension rebate	Rates Policy paragraph 8.3
PENS1	75% Pension rebate	Rates Policy paragraph 8.3
PENS2	50% Pension rebate	Rates Policy paragraph 8.3
PENS3	25% Pension rebate	Rates Policy paragraph 8.3
HER	Heritage Property (100% rebate)	Rates Policy paragraph 8.9
HER1	Heritage Property (Rebate as per table)	Rates Policy paragraph 8.9
NPO	Non-Profit Organisation (100% rebate)	Rates Policy paragraph 8.8
NPO1	Non-Profit Organisation (Rebate as per table)	Rates Policy paragraph 8.8
SSR	Stellenbosch Special Rebate	Rates Policy paragraph 8.6
EGVI	Exceptional General Valuation Rates Increases	Rates Policy paragraph 8.11